

Fresno, California

February 27, 2007

The City Council met in regular session at the hour of 8:30 a.m. in the Council Chamber, City Hall, on the day above written.

Present:	Brian Calhoun	Councilmember
	Mike Dages	Councilmember
	Jerry Duncan	Councilmember
	Cynthia Sterling	Councilmember
	Larry Westerlund	Councilmember
	Blong Xiong	Acting Council President
	Henry Perea	Council President

Andy Souza, City Manager  
James Sanchez, City Attorney  
Becky Klisch, City Clerk  
Cindy Bruer, Deputy City Clerk

Reverend Shane Scott of Saints Rest Missionary Baptist Church gave the invocation, and Councilmember Sterling led the Pledge of Allegiance.

**PROCLAMATION OF CONSUMER EMPOWERMENT DAY - COUNCILMEMBER STERLING**

Read and presented.

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**APPROVE MINUTES OF FEBRUARY 6 AND 20, 2007:**

On motion of Councilmember Westerlund, seconded by Councilmember Dages, duly carried, RESOLVED, the minutes of February 6 and 20, 2007, approved as submitted.

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**COUNCILMEMBER REPORTS AND COMMENTS:**

COUNCILMEMBER WESTERLUND: (1) Offered condolences to Mayor Autry and his family for the loss of his mother. (2) Stated he attended the Small Valley Business Conference luncheon earlier this week and expressed concern with the parking structure, stated there were only two booths in operation and it took approximately a half hour to exit the parking structure. (3) Expressed concern with homeless people living at 8<sup>th</sup> and Dakota Avenues by the Fresno irrigation canal and Assistant City Manager Rudd stated Fresno Irrigation District was aware of the situation and stated he would follow up with the District and the Police Department and report back. (4) Requested the City Manager provide a copy of the Mayor's agenda of the "must wins list" for the next 22 months.

COUNCILMEMBER DUNCAN: (1) Stated last Friday he had joined Mayor Autry on a radio telethon regarding the homeless and expressed the importance of working with the County of Fresno to address the issue. (2) Expressed concern with the health of businesses where the problem of homeless people having no restroom facilities were using the walkways of the businesses and requested temporary restroom be set up in the downtown area possibly by the Fresno Rescue Mission. (3) Commended Councilmember Calhoun and his staff for making the detention center memorial a reality in District 2.

COUNCILMEMBER DAGES: (1) Thanked the Traffic Engineering Division for providing sandwich sign to indicate when the parking meters were being enforced (2) Announced the 4<sup>th</sup> Annual Poker Tournament will be held on March 24, 2007, at Club One and stated 200% of the proceeds go to charity.

COUNCILMEMBER CALHOUN: (1) Reviewed an article he read regarding the use of electric cars with lithium batteries and noted the postal service in France were using electric cars and also the town of Lincoln California (near Sacramento) HAD purchased 150 electric carts from Global Electric Motor Cars and had made accommodations for use on the road and encouraged City staff write to SVE Desal in France

for information and suggest to France that the City of Fresno would like to be the beta-site in the United States and would test the carts on a no-fee basis. (2) Expressed concern with the homeless encampment t the Fig Garden loop and recommended the City come up with a general approach to solving the problem.

COUNCILMEMBER STERLING: (1) Offered condolences to Mayor Autry and his family for the loss of his mother. (2) Expressed the importance of acknowledging the problem with the homeless and stated it was important with meet with the Board of Supervisors to address the issue. (3) Commended Councilmember Calhoun and his staff for the Pinedale Assembly Center becoming a success (4) Congratulated Council President Perea his appointment to the San Joaquin Valley Air Pollution Control Board.

COUNCILMEMBER WESTERLUND: (1) Questioned the City Manager regarding the California Transportation Commission overlooking the Central Valley for funding of bonds and questioned if someone from the City would be in attendance at the next meeting and Assistant City Manager Rudd stated the City was trying other alternatives for obtaining funding and stated the City would be present at the meeting. (2) questioned the operational audit of the Fresno Convention and Visitors Bureau with City Manager Souza stating a financial audit will be presented during the second week of March.

COUNCIL PRESIDENT PEREA: (1) Stated in accordance with AB 1234 he attended the COG One-Voice trip at the beginning of last month and lobbied on behalf of Regional Fresno County project of the Port-of-Entry status for the Airport and also went to Los Angeles to discuss affordable housing. (2) Stated he would be more than willing the set up a meeting with the Board of Supervisors and requested City Clerk Klisch meet with his office to set an agenda that would address the homeless issue. (3) Stated it was unfair the way Fresno was treated in not having a project on the list by the California Transportation Commission and expressed the importance of having a strategy to obtain funding.

(2-0) Councilmember Calhoun expressed concern with Council giving direction regarding meeting with the County of Fresno to discuss the homeless and City Attorney Sanchez stated there was an order on the City's side regarding issues pertaining to personal property of the homeless. Councilmember Calhoun stated he did not believe Council was able to set up a joint meeting with the County that had not been noticed with Mr. Sanchez stating that before any formal action could be taken by Council the issue must be placed on an agenda for discussion, but noted staff could meet with the County and explore the ability of having a joint meeting and return to Council for discussion..

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#### **APPROVE AGENDA:**

**(9:15 A.M. "B") APPROVE A WORKERS' COMPENSATION SERVICE PROVIDER CONTRACT WITH AMERICAN ALL RISK LOSS ADMINISTRATORS (AARLA), AND AUTHORIZE PERSONNEL SERVICES DIRECTOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY**

City Manager Souza requested the above listed item be tabled one week and stated he had the opportunity to meet with FPOA President Jackie Parks and felt there was a viable opportunity to address the concerns.

On motion of Councilmember Sterling, seconded by Acting President Xiong , duly carried, RESOLVED, the above listed item tabled to March 6, 2007, by the following vote:

Ayes	:	Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea
Noes	:	None
Absent	:	None

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**(9:15 A.M. "D") RESOLUTION - FORMING A TAX-EXEMPT NON-PROFIT ENTITY FOR THE PRIMARY PURPOSE OF PRODUCING AFFORDABLE HOUSING AND CREATING ECONOMIC DEVELOPMENT OPPORTUNITIES, AND AUTHORIZING EXECUTION OF NECESSARY DOCUMENTS (Continue to March 27, 2007)**

Continued as noted.

**(10:15 A.M.) CONTINUED HEARING REGARDING TRAFFIC SIGNAL IMPACT FEES  
(Continue to March 27, 2007, at 10:00 a.m.)**

Continued as noted.

**(10:45 A.M. #2)** HEARING TO CONSIDER ANNEXATION OF FINAL TRACT NO. 5312 TO CFD NO. 2, ANNEXATION NO. 134, LOCATED IN DISTRICT 4 *(Continue to March 27, 2007, at 10:00 a.m.)*

Continued as noted.

On motion of Councilmember Westerlund, seconded by Councilmember Sterling, duly carried, RESOLVED, the **AGENDA** hereby approved, by the following vote:

Ayes	:	Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea
Noes	:	None
Absent	:	None

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**ADOPT CONSENT CALENDAR:**

**(1-A) RESOLUTION NO. 2007-59** - INTENT TO ANNEX FINAL TRACT NO. 5503 AS ANNEXATION NO. 15 TO CFD NO. 11, AND AUTHORIZE THE LEVY OF SPECIAL TAXES, AND SETTING THE PUBLIC HEARING FOR MARCH 13, 2007

**(1-B) RESOLUTION NO. 2007-60** - INTENT TO ANNEX FINAL TRACT NO. 5232 AS ANNEXATION NO. 14 TO CFD NO. 11, AND AUTHORIZE THE LEVY OF SPECIAL TAXES, AND SETTING THE PUBLIC HEARING FOR MARCH 13, 2007

**(1-C) RESOLUTION NO. 2007-61** - DEDICATING CERTAIN CITY-OWNED PROPERTY AT POLK AND CLINTON FOR PUBLIC STREET PURPOSES

**(1-D)** APPROVE AGREEMENT WITH DALE RUTHERFORD ARCHITECTURE & PLANNING IN THE AMOUNT OF \$142,500 WITH A CONTINGENCY OF \$30,000 FOR THE DESIGN OF PLANS AND GENERAL CONSTRUCTION CONTRACT DOCUMENTS FOR FIRE STATIONS NO. 11 AND 13 RENOVATIONS/ADDITIONS AND FIRE STATION NO. 20 RESTROOM RENOVATION

**(1-E) RESOLUTION NO. 2007-62** - DEDICATING CERTAIN CITY OWNED PROPERTY AT PEACH AND CHURCH AVENUES FOR PUBLIC STREET AND UTILITY PURPOSES

**(1-F)** APPROVE THE ACQUISITION OF FEE SIMPLE PROPERTY AND USE OF A TEMPORARY CONSTRUCTION EASEMENT FROM PROPERTY OWNED BY JANICE PEARSON, ROBERT LARSEN, JR., AND ALYCE DEMIRJIAN TO CONSTRUCT THE CHERRY AVENUE SEWER LIFT STATION ON CHERRY BETWEEN NORTH AND CENTRAL AVENUES

**1.** AUTHORIZE THE PUBLIC WORKS DIRECTOR TO ACCEPT THE GRANT DEED AND EXECUTE THE AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND COMPLETE THE ACQUISITION THROUGH ESCROW

**(1-G) RESOLUTION NO. 2007-63** - SETTING A PUBLIC HEARING FOR MARCH 27, 2007, TO CONSIDER THE FORMATION OF UNDERGROUND UTILITY DISTRICT NO. FRE-69 - VENTURA STREET BETWEEN "M" STREET AND SR 99

**(1-H)** AWARD A CONTRACT TO BUSH ENGINEERING, INC., FOR "O" STREET IMPROVEMENTS FROM 41 TO VENTURA STREET, AND VENTURA STREET FROM "O" TO "M" STREETS, PHASE I

**(1-I)** APPROVE DOCUMENTS TO FACILITATE NEW FLIGHTS AST FYI BY EXPRESSJET AIRLINES

**1.** APPROVE ACCEPTANCE OF ALLEGIANT AIRLINES' SURRENDER OF A PORTION OF THEIR LEASED PREMISES AND THEIR SHARING OF ANOTHER PORTION OF THEIR PREMISES IN THE FYI PASSENGER TERMINAL

**2.** APPROVE THE LETTING AND SHARING OF THE SAME PREMISES TO EXPRESSJET AIRLINES, INC., TO FACILITATE THE START OF NON-STOP JET FLIGHTS TO/FROM ONTARIO, CA AND SAN DIEGO, CA

**3.** APPROVE EXECUTION OF A LETTER AGREEMENT WITH EXPRESSJET UNDER WHICH RENT WILL BE WAIVED FOR 120 DAYS AND LANDING FEES AND CERTAIN OTHER USER CHARGES WILL BE WAIVED FOR 120 DAYS PURSUANT TO THE CITY'S INCENTIVES PROGRAM FOR SCHEDULED DOMESTIC AIR SERVICES

**(1-J)** APPROVE SIDE LETTER OF AGREEMENT BETWEEN THE CITY AND FRESNO AIRPORT PUBLIC SAFETY SUPERVISORS (FAPSS) UNIT 15, REGARDING BILINGUAL CERTIFICATION AND PAY

**(1-K)** APPROVE REAPPOINTMENTS OF COUNCILMEMBER STERLING AND BEATRICE JOHNSON TO THE FRESNO-MADERA AREA AGENCY ON AGING BOARD - MAYOR AUTRY

**(1-L)** AUTHORIZE THE PLANNING & DEVELOPMENT DIRECTOR TO EXECUTE AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH URS CORPORATION TO INCREASE THE TOTAL FEE FROM \$600,000 TO \$630,000

**(1-M)** APPROVE AMENDMENT NO. 2 TO THE PROFESSIONAL CONSULTING SERVICES AGREEMENT WITH CARTER BURGESS, INC., IN THE AMOUNT OF \$59,842 FOR REHABILITATION/RECONSTRUCTION OF VARIOUS TAXIWAYS AT FYI AIRPORT

**(1-N)** AUTHORIZE THE FIRE CHIEF TO EXECUTE AMENDMENT NO. 1 TO THE CONSULTANT SERVICE AGREEMENT WITH RRM DESIGN GROUP IN THE AMOUNT OF \$59,890 FOR THE NEEDS USE ANALYSIS AND CREATION OF A MASTER SITE PLAN FOR THE MUNICIPAL SERVICE CENTER ANNEX SITE AT BELMONT AND VALENTINE AVENUES

**(1-O)** APPROVE AN INDEPENDENT CONTRACTOR SERVICES AGREEMENT WITH THE FRESNO UNIFIED SCHOOL DISTRICT FOR TEN AFTER-SCHOOL SCIENCE ACTIVITIES; AND AUTHORIZE THE PR&CS DIRECTOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY

**(1-P)** APPROVE A COMMUNITY PARTNER AGREEMENT WITH KaBOOM! FOR INSTALLATION OF A COMMUNITY-BUILD SKATE PARK PROJECT AT ROMAIN PLAYGROUND; AND AUTHORIZE THE PR&CS DIRECTOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY

President Perea and Councilmember Sterling commended the Parks Department for forming a partnership with KaBOOM with the City in installing a new skate park at Romain Park.

**(1-S) RESOLUTION NO. 2007-64** - 60<sup>TH</sup> AMENDMENT TO THE AAR RE-BUDGETING \$50,400 IN GRANT FUNDS FROM THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD (CIWMB) FOR THE USED OIL BLOCK GRANT AND DEPARTMENT OF CONSERVATION BEVERAGE CONTAINER GRANT PROGRAMS

**(1-T)** APPROVE AN AGRICULTURAL LEASE AGREEMENT WITH STEPHEN AND ANALISA ENGLAND AT THE LEASE RATE OF \$300/ACRE FOR 158 ACRES AT THE REGIONAL WASTEWATER RECLAMATION FACILITY, AND AUTHORIZE THE ASSISTANT DIRECTOR OF PUBLIC UTILITIES/WASTEWATER MANAGEMENT TO EXECUTE THE AGREEMENT AND SUBSEQUENT EXTENSIONS ON BEHALF OF THE CITY

**(1-U)** AWARD A THREE-YEAR REQUIREMENTS CONTRACT, WITH PROVISIONS FOR TWO ONE-YEAR EXTENSIONS, TO CIS SERVICES IN THE AMOUNT OF \$88,742.72 ANNUALLY TO PROVIDE SECURITY SERVICES AT THE REGIONAL WASTEWATER RECLAMATION FACILITY (RWRC)

**(1-V)** REJECT ALL BIDS FOR CATIONIC POLYMER (BULK DELIVERY) FOR THE REGIONAL WASTEWATER RECLAMATION FACILITY (RWRC)

**(1-W) RESOLUTION NO. 2007-65** - INTENT TO RE-ANNEX FINAL TRACT NO. 5316 AS ANNEXATION NO. 2 TO CFD NO. 11, AND SETTING THE PUBLIC HEARING FOR MARCH 13, 2007

**(1-X) BILL NO. B-13** - AMEND THE FRESNO MUNICIPAL CODE REQUIRING INSTALLATION OF PHOTO LUMINESCENT EXIT PATH MARKINGS FOR BUILDINGS THREE STORIES OR MORE

**(1-Y) BILL NO. B-14** - REPEALING NUMEROUS SECTIONS AND ARTICLES OF THE FRESNO MUNICIPAL CODE RELATING TO UNNECESSARY, DUPLICATIVE AND OUTDATED PROVISIONS

On motion of Councilmember Duncan, seconded by Councilmember Dages, duly carried, RESOLVED, the above entitled **CONSENT CALENDAR** hereby adopted, by the following vote:

Ayes	:	Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea
Noes	:	None
Absent	:	None

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**(9:00 A.M.) PUBLIC COMMENT PERIOD - UNSCHEDULED COMMUNICATION:**

Audrey Flores, Coordinator for CHADD, Children and Adults with Attention Deficit Hyperactivity Disorder, stated over 4,000 children and adults have been diagnosed with the disorder in the City and most of the children have fallen through the cracks and invited City Council to attend future meetings.

Parks Recreation and Community Services Cooper invited City Council to attend a press conference on February 28, 2007, at 3:30 p.m. at the new Exhibit Hall to view a mobile fitness vehicle Parks created by taking a \$45,000 grant from the Stewardship Counsel of PG&E and by leveraged the funds through sales, services, parts and labor have increased the amount to \$246,000.

Raquel Cantu, 3155 McKenzie stated for the last seven years she has had to pay for large pieces of appliances, furniture and tires to be removed from the alley behind her home and questioned if she paid the fine why would she still have to clear the garbage. President Perea recommended she meet with his office and resolve the matter.

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**(9:15 A.M. “A”) BILL NO. B-15 - AMENDING THE FRESNO MUNICIPAL CODE ESTABLISHING A VEHICLE IMMOBILIZATION (“BOOTING”) PROGRAM ORDINANCE**

Parking Manager Estebrook reviewed the staff report and stated that in order to use a boot program the State of California required that a person had five or more unpaid parking tickets which allowed the City to tow the vehicle until the tickets have been paid. Mr. Estebrook stated the program was customer service oriented in that the person would be notified several times before the car was actually towed.

A motion to approve the introduction of the item was made and acted upon after brief discussion.

Acting President Xiong questioned the possibility of another person driving a car and not aware of the outstanding parking tickets with Mr. Estebrook responding.

Councilmember Westerlund requested clarification that the boot program required five or more unpaid parking tickets and questioned the number of letters mailed, telephone calls made and the fees involved with Mr. Estebrook responding.

President Perea welcomed students visiting from Mountain View Elementary.

Councilmember Calhoun questioned how the State of California helped the City with and Mr. Estebrook stated that if the vehicle had outdated tags and not registered it cannot be booted and noted the vehicle is reported the State but did not know what the State did after receiving the information.

On motion of Councilmember Dages, seconded by Councilmember Sterling , duly carried, RESOLVED, the above entitled Bill No. B-15 introduced before the City Council and laid over, by the following vote:

Ayes	:	Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea
Noes	:	None
Absent	:	None

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**(9:15 A.M. “C”) AUTHORIZE STAFF TO NEGOTIATE AND ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH QUAD KNOPF INC., FOR DESIGN OF A TWO-MILLION GALLON WATER STORAGE TANK, BOOSTER PUMP STATION AND WATER SUPPLY WELL**

**1. RESOLUTION NO. 2007-66 - APPROVING THE REALLOCATION OF \$900,000 FROM THE WATER WELL CONSTRUCTION CAPITAL PROGRAM TO PROVIDE ADDITIONAL APPROPRIATIONS TO FUND THE AGREEMENT WITH QUAD KNOPF INC.**

Assistant Public Utilities Director Martin reviewed the staff report and stated there was a reallocation of funds from the capital program where some projects were delayed that included Pump Station 61A and Pump Station 324 and by the delay freed some funds to fund the downtown water tank.

Councilmember Calhoun expressed concern with giving the project to Quad Knopf without competitive bidding and would not support approval without going through the competitive bidding process.

A motion for staff to perform a Request for Proposal process and return with the recommendation from the processed lowest bid for the project was made and voted upon after extensive discussion.

Councilmember Duncan questioned why the City was using Quad Knopf and stated there was a need for downtown to have a water tank, but felt the process should be done right by going through the RFP process with Mr. Martin stating the bid process would postpone the project approximately 90 days.

Councilmember Dages stated he would not support the project going through the RFP process and felt Quad Knopf has the experience for the downtown area to complete the project. Councilmember Dages noted the City needed to go with the best and not necessarily with the lowest bid. City Manager Souza stated staff was given the flexibility administratively to address issues when there was a project and staff believed the company has the expertise and ability to complete the project without going through the RFP process. City Attorney Sanchez stated there was an Administrative Order set forth by the City Manager identifying an informal RFP process to be followed but included an exception which was time factor and necessity to further the project.

Acting President Xiong questioned the 90-day delay and Mr. Martin stated there could be a problem with the purchase of the property versus eminent domain and also may run into problems with the timing being in the winter.

Councilmember Westerlund stated he would support the motion and noted the letter outside the Administrative Order that provided guidance in the bid process area did not provide enough justification to go outside the normal procedure and saw no problem with delaying the project.

Councilmember Sterling stated the motion would be a delay for downtown growth and expressed the importance for staff to be more forthcoming to the Council in the future with a project of this size so all the questions would be answered prior to approval.

**(3-0)** President Perea stated staff needed the flexibility to address areas that warrant moving into a project in a more timely matter, and not he was satisfied with the letter and information the City Manager's Office provided and stated he would not support the motion on the floor.

On motion of Councilmember Calhoun, seconded by Councilmember Duncan, duly carried, RESOLVED, staff directed to perform a Request for Proposal process for the design of a two-million gallon water storage tank, booster pump station and water supply well and return with the recommendation failed approval, by the following vote:

Ayes	:	Calhoun, Duncan, Westerlund
Noes	:	Dages, Sterling, Xiong, Perea
Absent	:	None

A motion to approve staff recommendation was acted upon after extensive discussion.

Councilmember Calhoun stated there was no reason the project was a rush and expressed concern with not letting other firms bid for the project.

Councilmember Duncan stated Quad Knopf was selected to complete the project because they were also the Mayor's choice to be the firm to do the water feature project for the downtown area and Mr. Souza stated the item before Council today had nothing to do with the water feature project.

Councilmember Westerlund stated Quad Knopf was the only one chosen to work through the river process and traveled with staff to Oklahoma City to discuss the downtown water feature and stated he requested a copy of the written scope to see if the water feature was involved. Councilmember Westerlund stated this type of project should go through an RFP process and which was not the case this time.

Mr. Souza stated there were multiple times when the City used the same company and stated staff felt confident that Quad Knopf was capable of completing the project. Acting President Xiong stated this was a policy issue and would like to work with staff to create a process when the project become urgent or an emergency.

Councilmember Sterling stated she had been in a number of meetings with Quad Knopf and staff after visiting Oklahoma City and reiterated the importance of the water tank to continue with the expanding growth of the downtown area and believed Council was challenged in giving direction and stressed the importance of staff making information more available to Council.

Councilmember Calhoun expressed concern with some Councilmembers who voted against the above motion all had discussion with Quad Knopf and questioned whether there was a legal issue and Mr. Sanchez stated since no violations have occurred since there was no formal process involved.

Councilmember Westerlund questioned the need for the downtown water tower and Mr. Martin stated that due to the skyline rising in downtown Fresno there was a concern with fire flow during the peak hour demand in the summer.

President Perea stated he was one of the Councilmembers who voted no on the above motion and Quad Knopf had never made an attempt to contact his office and was disappointed in the direction the conversation went and stressed the importance of letting staff be innovative.

On motion of Councilmember Sterling , seconded by Council President Perea, duly carried, RESOLVED, authorize staff the negotiate and enter into a Professional Services Agreement with Quad Knopf, Inc. for a not to exceed the amount of \$1.3 million utilizing the City standard consultant agreement; and the Public Utilities Director hereby authorized to sign the agreement on behalf of the City; and the above entitled Resolution No. 2007-66 hereby adopted, by the following vote:

Ayes	:	Dages, Sterling, Xiong, Perea
Noes	:	Calhoun, Duncan, Westerlund
Absent	:	None

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**(9:15 A.M. “E”) RESOLUTION NO. 2007- 67- DECLARING SUPPORT FOR THE COMPLETION OF THE SAN JOAQUIN RIVER TRANSPORTATION STUDY BEING CONDUCTED BY THE COUNTY OF MADERA**

Interim Planning and Development Director Berghold reviewed the staff report and noted the County of Madera had requested the City;s support a study be done to determine appropriate crossings of the San Joaquin River between Madera and Fresno Counties and an east/west route to connect to State 99. Mr. Berghold also noted the cost of the study was not to exceed \$250,000.00 and the City would consider a mechanism for a fee credit for the builders/contractors who contributed to the study at a future date.

Michael Prandini, Building Industry Association, stated the Association contributed \$125,000 toward the cost of the study and urged Council approve the resolution due to the project being regional.

A motion to adopt the above listed resolution was made and acted upon after brief discussion.

Councilmember Calhoun stated his support but expressed concern with conducting another study and no progress being made on the project with brief discussion ensuing.

On motion of Councilmember Duncan, seconded by Councilmember Westerlund, duly carried, RESOLVED, the above entitled Resolution No. 2007-67 hereby adopted, by the following vote:

Ayes	:	Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea
Noes	:	None
Absent	:	None

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**(9:30 A.M.) WORKSHOP REGARDING GENERAL FUND BONDS - FINANCE DEPARTMENT**

Finance Controller Rousseau introduced staff and gave an extensive power point presentation covering the following: the General Fund Supported Dept; different types of capacity methodology; City of Fresno legal debt capacity; aggregate annual general fund debt; debt maturance (step-down); GO bonds rating history; rating scale; discussed rating companies; consideration when developing ratings; municipal financial ratio analysis: Fresno vs. California; General Fund Balance as % of revenues; direct net debt as % of full value; full value per capita; assessed value for the last ten years; **(4-0)** City of Fresno peer analysis to the top nine cities; internal budgetary affordability; general fund debt capacity; debt capacity controller comments; challenges to bonding impact fees; and public safety bonding components.

Councilmember Duncan expressed concern with the capacities of the Police and Fire facilities using the majority of the funds \$91 million budget and the fact the impact fees are lower than what was anticipated and questioned if the impact fees did not materialize the general fund would have to be used to pay the debt and noted the City could end up with financial problems. Councilmember Duncan questioned if

park bonds were issued and if the impact fees did not generate enough to offset the cost of the bonds where does the difference come from with Mr. Rousseau stating the approach was to reduce the impact on the general fund.

Councilmember Westerlund recommended another workshop be set in the future to analysis the capacity of the impact fees . Mr. Rousseau stressed the importance of the general fund ratios. Councilmember Westerlund stated the City's projects are mostly general fund obligated and the need to understand the ratios, and noted his concern was that the City would become overextended in debt due to the impact fees not coming in and the City would be faced with choices of having to cut services drastically by advancing funds or would end up taking a large amount of the general fund for debt service on impact fees. Councilmember Westerlund stated the need to look into the Airport which was an enterprise fund where the City had gone to market with some bonds and questioned who becomes the backer of the bonds with City Manager Souza stating the general fund would not back the bonds of the Airport enterprise.

Councilmember Calhoun expressed concern with not being provided with the whole picture and stated before voting on anymore projects he would like having possibly the next three years of all the future proposed projects be brought before Council.

Mr. Souza stated there were two parts to the issue and noted as a City we hade the capacity to borrow, but the debt needed to be paid back and would provide a report to Council showing the impact on the City for the next 22 months.

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**(9:15 A.M. "C") AUTHORIZE STAFF TO NEGOTIATE AND ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH QUAD KNOPF INC., FOR DESIGN OF A TWO-MILLION GALLON WATER STORAGE TANK, BOOSTER PUMP STATION AND WATER SUPPLY WELL (*DISCUSSED EARLIER IN THE MEETING*)**

**1. RESOLUTION NO. 2007-66 - APPROVING THE REALLOCATION OF \$900,000 FROM THE WATER WELL CONSTRUCTION CAPITAL PROGRAM TO PROVIDE ADDITIONAL APPROPRIATIONS TO FUND THE AGREEMENT WITH QUAD KNOPF INC.**

President Perea and City Attorney Sanchez confirmed the above resolution was adopted on a 4-3 vote. Mr. Sanchez stated there was some confusion because if the resolution was an amendment to the budget it would have required 5 affirmative votes , but the above resolution only required a reallocation within an existing fund.

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**(2-A) UPDATE AND DIRECTION REGARDING COUNCIL ACTION OF 11/14/06 WHEREIN STAFF WAS DIRECTED TO HIRE A CONSULTANT TO CONDUCT A PERFORMANCE AUDIT OF THE CITY'S HANDY RIDE SYSTEM TO DETERMINE REASONABLE EXPECTATIONS AND BENCHMARKS, WITH THE FINDING OF THE AUDIT TO BE USED AS THE BASIS FOR A NEW REQUEST FOR PROPOSAL (RFP), AND REPORT BACK IN 60 DAYS - COUNCILMEMBER DAGES**

Councilmember Dages stated the item was to return to Council 60 days later and to date had not received the requested information. Assistant City Manager Rudd stated a tray memo was sent out in January informing Council a consultant had been selected to conduct the analysis and the findings would then be used to structure a new Request for Proposal (RFP) noting the RFP should be issued by March 8 and at that time the consultant would provide a verbal report as to his findings.

Transportation Director Hamm stated the written report will be brought before Council next week. Mr. Rudd stated the report was in four sections. Councilmember Dages expressed concern with whether the data received from Laidlaw was accurate and the lateness in responding to his request with Mr. Hamm responding. City Manager Souza recommended the item be scheduled for March 13<sup>th</sup> Council meeting so Council would have adequate time to review the report.

Speaking to the issue were Edward LaComb, 1815 E. Michigan, who expressed disappointment with the performance of Handyride and stated they were constantly late, they did not return telephone calls and noted he had made a telephone call 24 hours in advance to schedule a pick up and was never picked up. Mr. LaComb also requested a copy of the report when ready. Rick Steitz, President of Amalgamated Transit Union, questioned if the report was not complete and the RFP was to be based on information in the report and questioned whether there would be a problem with the information.

Councilmember Calhoun encouraged staff not to rush the process to accommodate one Councilmember and stated staff was moving forward in an appropriate manner.

Councilmember Dages stated there was good reason to bring the matter forward because his office had received numerous complaints. Mr. Rudd stated the final draft report would provide an analysis of the data as well as a comparison of other similar sized operations and the report would also include a series of recommendations for the RFP to address service delivery and staffing.



(10:00 A.M.) TEFRA HEARING AS REQUIRED BY THE INTERNAL REVENUE CODE TO CONSIDER THE PROPOSED ISSUANCE OF MOBILE HOME PARK REVENUE REFUNDING BONDS BY THE INDEPENDENT CITIES LEASE FINANCE AUTHORITY, ON BEHALF OF MILLENNIUM HOUSING OF CALIFORNIA, TO REFINANCE THE PREVIOUSLY ISSUED AUTHORITY BONDS (WESTLAKE MOBILE HOME PARK AT 2706 W. ASHLAN AVENUE)

1. **RESOLUTION NO. 2007-68** - APPROVING THE ISSUANCE BY THE AUTHORITY OF THE MOBILE HOME PARK REVENUE REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20 MILLION

(5-0) President Perea announced the time had arrived to consider the issue, opened the hearing, and upon his question Assistant Controller Bradley advised the staff report as submitted was complete and there was no new information to add.

Upon call, no one wished to be heard and President Perea closed the hearing.

Councilmember Westerlund questioned whether there was a fee involved with Ms. Bradley stating there was a flat fee the City charged to cover administrative cost and any cost incurred with publications in the newspaper which would all be reimbursed .

On motion of Councilmember Westerlund, seconded by Dages , duly carried, RESOLVED, the above entitled Resolution No. 2007-68 hereby adopted, by the following vote:

Ayes : Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea  
Noes : None  
Absent : None

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(10:20 A.M.) CONTINUED HEARING ON THE VACATION OF A PORTION OF W. CATTERN AVENUE NORTHEAST OF N. WEBER AND PORTIONS OF N. WEBER FROM NORTH OF W. CATTERN TO SOUTH OF W. DEVLAN AVENUES

1. **RESOLUTION NO. 2007-69** - ORDERING THE VACATION OF THE ABOVE

President Perea announced the time had arrived to consider the issue and opened the hearing and upon his question Supervising Engineering Technician Polsgrove advised the staff report as submitted was complete and there was no new information to add.

Upon call, no one wished to be heard and President Perea closed the hearing.

On motion of Councilmember Calhoun, seconded by Councilmember Westerlund, duly carried, RESOLVED, the above entitled Resolution No. 2007-69 hereby adopted, by the following vote:

Ayes : Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea  
Noes : None  
Absent : None

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(10:30 A.M.) TEFRA HEARING AS REQUIRED BY INTERNAL REVENUE CODE TO CONSIDER THE PROPOSED ISSUANCE OF ALLIED WASTE NORTH AMERICAN, INC. REVENUE REFUNDING BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY

1. **RESOLUTION NO. 2007-70** - APPROVING THE JOINT EXERCISE OF POWERS AGREEMENT RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY, AND AUTHORIZING THE CITY’S MEMBERSHIP IN THE AUTHORITY AND EXECUTION OF THE AGREEMENT

2. **RESOLUTION NO. 2007-71** - APPROVING A REVENUE BOND FINANCING TO BE ISSUED BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$250,000,000 TO BENEFIT ALLIED WASTE NORTH AMERICAN INC., OR AN AFFILIATE THEREOF

President Perea announced the time had arrived to consider the issue and opened the hearing.

Assistant Controller Bradley review the staff report and noted there were two parts to the hearing and in order to approve the resolution, Council would first have to vote on whether they wished to become a member of the Authority and noted the purpose of the authority was to allow a portion of the issuance fees to be donated back to the community.

Upon call, no one wished to be heard and President Perea closed the hearing.

Councilmember Calhoun questioned the difference with the Authority dealing with businesses rather than housing and stated what would prevent other profit organization from asking Council to assist them.

John Stoker, California Municipal Finance Authority stated this was an exempt utility bond which provided a public benefit and stated the Authority have 35 members throughout the State of California who also issued tax exempt bonds and have done projects for affordable housing, education, and health care.

A motion to adopt the resolution was made and acted upon after brief discussion.

Councilmember Westerlund stated he reviewed the Authority on their website and noted this was a good deal and happy the Council would be a part of helping with economic development. Mr. Stoker responded to questions regarding the application process and also explained how the State of California was involved in the process. At the hour of 11:57 a.m. Councilmember Calhoun left the meeting and returned at 2:00 p.m.

On motion of Councilmember Westerlund, seconded by Acting President Xiong, duly carried, RESOLVED, the above entitled Resolution No. 2007-70 hereby adopted, by the following vote:

Ayes	:	Dages, Duncan, Sterling, Westerlund, Xiong, Perea
Noes	:	None
Absent	:	Calhoun

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On motion of Councilmember Westerlund, seconded by Councilmember Sterling, duly carried, RESOLVED, the above entitled Resolution No 2007-71 hereby adopted, by the following vote:

Ayes	:	Dages, Duncan, Sterling, Westerlund, Xiong, Perea
Noes	:	None
Absent	:	Calhoun

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**(10:45 A.M. #1) HEARING TO ANNEX FINAL TRACT NO. 5424 TO CFD NO. 2, ANNEXATION NO. 133 IN DISTRICT 4**  
**1. RESOLUTION NO. 2007-72 - ANNEXING TERRITORY AND AUTHORIZING THE LEVY OF A SPECIAL TAX**  
**2. RESOLUTION NO. 2007-73 - CALLING A SPECIAL MAILED-BALLOT ELECTION**  
**3. RESOLUTION NO. 2007-74 - DECLARING ELECTION RESULTS**  
**4. BILL NO. B-16 - ORDINANCE NO. 2007-13 - LEVYING A SPECIAL TAX FOR PROPERTY TAX YEAR 2006-2007 AND FUTURE TAX YEARS**

President Perea announced the time had arrived to consider the issue, opened the hearing, and upon his question Assistant Public Works Director Kirn advised the staff report as submitted was complete and there was no new information to add.

Upon call, no one wished to be heard and President Perea closed the hearing.

On motion of Councilmember Westerlund, seconded by President Perea, duly carried, RESOLVED, the above entitled Resolution Nos. 2007-72, 2007-73 and 2007-74 hereby adopted, and the above entitled Bill No. B-16 adopted as Ordinance No. 2007-13, by the following vote:

Ayes	:	Dages, Duncan, Sterling, Westerlund, Xiong, Perea
Noes	:	None
Absent	:	Calhoun

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**(11:00 A.M.) HEARING ON REZONE APPLICATION NO. R-06-24 AND ENVIRONMENTAL FINDINGS, FILED BY DONALD AND PATRICIA LOCKHART, SOUTHEAST CORNER OF E. LAUREL AND S. CHESTNUT AVENUES**  
**1. CONSIDER AND ADOPT E.A. NO. R-06-24 DATED NOVEMBER 16, 2006, DETERMINATION OF INITIAL STUDY TO FILE A FINDING OF CONFORMITY TO THE GENERAL PLAN MEIR**

**2. BILL NO. B-17 - ORDINANCE NO. 2007-14 - AMENDING THE OFFICIAL ZONE MAP TO REZONE THE SUBJECT PROPERTY FROM R-A TO R-2 SUBJECT TO THE CONDITION OF ZONING INCORPORATED IN THE ORDINANCE BILL**

President Perea announced the time had arrived to consider the issue, opened the hearing, and upon his question Planner Singh advised the staff report as submitted was complete and there was no new information to add.

Upon call, no one wished to be heard and President Perea closed the hearing.

On motion of Councilmember Dages, seconded by Councilmember Westerlund, duly carried, RESOLVED, the finding for the above entitled E.A. hereby approved, and the above entitled Bill No. B-17 adopted as Ordinance No. 2007-14, subject to the condition of zoning incorporated in the Ordinance Bill, by the following vote:

Ayes : Dages, Duncan, Sterling, Westerlund, Xiong, Perea  
Noes : None  
Absent : Calhoun

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**LUNCH RECESS - 12:05 P.M. - 2:00 P.M.** Councilmember Sterling arrived shortly thereafter.

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**(2:00 P.M. ) CONTESTED CONSENT CALENDAR:**

**(1-R)** APPROVE THE SECOND AMENDMENT TO THE AGREEMENT WITH BLAIR, CHURCH & FLYNN IN THE AMOUNT OF \$946,000 FOR PREPARATION OF WORK PLANS FOR NO NEIGHBORHOOD LEFT BEHIND (NNLB) PROJECTS FOR YEARS 4 THROUGH 6

Councilmember Westerlund questioned the status of the No Neighborhood Left Behind and Assistant Public Utilities Director Andersen stated to date 17 neighborhoods have been completed out of a total of 71 and identified 12 new areas for City crews to begin work on, the City had notices to proceed with four projects , staff was receiving bids on 4 other projects and was also noted staff was waiting for the advertising date for 4 other projects.

A motion was made to approve the above item and was voted on after further discussion.

Councilmember Calhoun questioned the cost of the six-year project and expressed concern with using the same company and felt Council was not provided with complete information on what other companies would charge and Mr. Andersen explained the process and stated Blair, Church and Flynn Consulting had kept up with the timelines and felt the company was very competent and had done a good job. Councilmember Calhoun expressed concern with using the same company and not going through the bid process and stated the company with the lowest bid might not possibly meet the deadline, but could possibly save the City thousands of dollars and Council should be informed of those options. City Attorney Sanchez stated there were two approaches staff could take and one would was to bring back a matrix.

Mr. Anderson stated the Administrative Order was followed throughout the process.

On motion of Councilmember Westerlund, seconded by Councilmember Dages, duly carried, RESOLVED, approve the second amendment to agreement with Blair, Church & Flynn in the amount of \$946,000 for the preparation of work plans for the No Neighborhood Left Behind (NNLB) projects for years 4 through 6, by the following vote:

Ayes : Dages, Duncan, Sterling, Westerlund, Xiong, Perea  
Noes : Calhoun  
Absent : None

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**(1-Q)** APPROVE A MAXIMUM FIVE-YEAR LEASE AGREEMENT FOR THE IMPROVEMENT AND USE OF VACANT PROPERTY BY VALLEY ARTS AND SCIENCE ACADEMY (VASA) AT CITY-OWNED PROPERTY ADJACENT TO THE TED C. WILLIS COMMUNITY CENTER

Councilmember Westerlund questioned the legal aspect as to there being no CEQA analysis and stated this would be a five year contract where the property would be used for a non-profit organization to establish a school with approximately 240 children in attendance

and felt there was a need for a traffic analysis to be performed. Mr. Westerlund stated the school would be one block away from a Fresno Unified School, and also expressed concern with the lease being inadequate in that it was not specific as to how many square feet were being leased a \$2,000 security deposit being charged and modular buildings being placed in a City park without any way to remove them and reviewed several other concerns he had.

Councilmember Sterling stated she had often thought about the idea of using open spaces for schools and/or after school programs and this project was the first one to be created and stated her office had received several e-mails from parents whose children attend schools in the neighborhood and were looking for alternative programs for arts and science and noted this was a challenged neighborhood and the residents feel very fortunate to have this program Parks, Recreation and Community Services Director Cooper gave a brief overview of the project and stated the site was ideal for a charter school due to having a head start, high school, blind library and an all-day senior center on the site.

At the hour of 2:25 p.m. Councilmember Calhoun left the meeting and returned at 2:31 p.m.

**(6-0)** City Attorney Sanchez reviewed the concerns raised and stated Council should direct staff to comply with CEQA for the project by deferring the final decision until an environmental assessment or Council could make the lease conditioned upon both the CUP and CEQA compliances.

Mr. Michael Shulte, representing Valley Arts and Science Academy, responded to questions and stated the location chosen would serve the community and noted a CUP was part of the process and explained that part of the lease was that if VASA did not have the CUP by the time the school opened, the lease and the land would revert back to the City.

A motion to approve the above listed item was made and acted upon after brief discussion.

Councilmember Westerlund stated he did not have a problem with the project but expressed concern with the policy of placing it in an open space that could be used as a park space for the City.

On motion of Councilmember Sterling,, seconded by Councilmember Dages, duly carried, **RESOLVED**, the maximum five-year lease agreement for the improvement and use of vacant property by Valley Arts and Science Academy (VASA) as City-owned property adjacent to the Ted C. Wills Community Center at 770 N. San Pablo in Fresno, California with the inclusion of a condition in the lease would be in compliance with a Conditional Use Permit and CEQA requirements to the lease hereby approved, by the following vote:

Ayes	:	Dages, Duncan, Sterling, Xiong, Perea
Noes	:	Westerlund
Absent	:	Calhoun

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**(2:30 P.M.) HEARING TO CONSIDER REZONE APPLICATION NO. R-06-61 AND ENVIRONMENTAL FINDINGS FILED BY AUGIE COLMENERO, WEST SIDE OF N. VALENTINE BETWEEN W. GETTYSBURG AND W. ASHLAN AVENUES**

**1. CONSIDER AND ADOPT E.A. NO. R-06-61, DATED JANUARY 4, 2007, DETERMINATION OF INITIAL STUDY TO FILE A FINDING OF CONFORMITY TO THE GENERAL PLAN MEIR**

**2. BILL NO. B-18 - ORDINANCE NO. 2007-75 - AMENDING THE OFFICIAL ZONE MAP TO REZONE FROM R-A TO M - 1**

President Perea announced the time had arrived to consider the issue, opened the hearing, and upon his question Supervising Planner Perros advised the staff report as submitted was complete and there was no new information to add.

Upon call, no one wished to be heard and President Perea closed the hearing.

Acting President Xiong questioned the increased traffic occurring by Valentine and Ashlan Avenues and whether staff was planning to expand the one lane to two lanes with Mr. Perros responding.

On motion of Councilmember Duncan, seconded by Councilmember Sterling, duly carried, **RESOLVED**, the finding for the above entitled E.A. hereby approved, and the above entitled Bill No. B-18 adopted as Ordinance No. 2007-75, by the following vote:

Ayes : Calhoun, Dages, Duncan, Sterling, Westerlund, Perea  
Noes : Xiong  
Absent : None

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**(2-B) RESOLUTION NO. 2007-75 - INITIATING A TEXT AMENDMENT TO REMOVE CONTROLS AND REGULATIONS BY THE CITY FOR BUSINESSES REGARDING THE INSTALLATION OF SINGLE SITE WIRELESS INTERNET CONNECTIONS - COUNCILMEMBER DUNCAN**

Councilmember Duncan briefly reviewed the report and stated the resolution would be for small businesses to have the ability to install a single site wireless internet system and allow for the deregulation of small single site internet connections so small businesses would have the capability of offering internet service to their customers without having to go through a major process and recommended approval.

A motion to approve the above resolution was made and acted upon after brief discussion.

Speaking to the issue was Barbara Hunt, 2475 S. Walnut spoke in support.

Councilmember Calhoun questioned how the City got involved in the process and City Attorney Sanchez stated the Planning and Development Department had a Director's classification where a decision was made by the Director and identified this type of use by a Conditional Use Permit and adoption of the resolution would not require small businesses to be under those restrictions. Planner Fabino stated that portions of the zoning ordinance were outdated and while technology had changed staff tried to identify the Y5 as an incidental use and to provide clarification within the zoning ordinance to address the issue was needed and recommended approval of the resolution.

Councilmember Westerlund questioned going from Y-5 to Y-Max and Councilmember Duncan stated Y-Max would not be used in a single site location because it was a major system covering a 40 square mile area and the above resolution did not involve Y-Max.

On motion of Councilmember Westerlund, seconded by Councilmember Sterling, duly carried, RESOLVED, the above entitled Resolution No 2007-75 hereby adopted, by the following vote:

Ayes : Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea  
Noes : None  
Absent : None

Mr. Sanchez clarified Council's action was to initiate a text amendment and staff would return with a zoning ordinance amendment.

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**(2:45 P.M.) BILL NO. B-19 - ADDING ARTICLE 9 TO CHAPTER 8 OF THE FRESNO MUNICIPAL CODE RELATING TO PROHIBITION AGAINST CONSUMPTION OF ALCOHOLIC BEVERAGES BY UNDERAGE PERSONS AND ALLOWING OR HOSTING GATHERINGS WHERE UNDERAGE PERSONS ARE CONSUMING ALCOHOLIC BEVERAGES - COUNCILMEMBER DAGES**

Councilmember Dages thanked staff for their hard work in preparing the ordinance and stated there was not a law currently against providing alcoholic beverages to minors on private property and if the ordinance was adopted it would charge a person serving the alcohol to minors with a misdemeanor. Councilmember Dages reviewed statistics pertaining to the use of alcohol.

A motion to approve the above entitled item was made and acted upon after extensive discussion.

Speaking in support were: Barbara Hunt, 2475 S. Walnut; Jane Alverado, Youth Leadership Institute, thanked Council for bringing forth the issue, reviewed results from a survey they performed and stated adoption of the ordinance was coming at a right time due to proms and graduation coming up in the near future.

Councilmember Calhoun expressed concern with the challenge of adolescence and alcohol and the difficulty with parents not being able to be everywhere their children were and stated the problem was that a parent would be charged with a misdemeanor and would be facing litigation and felt it was the wrong way to approach the problem and emphasized the importance of implementing a warning system first rather than charging the person with a misdemeanor. City Attorney Sanchez stated staff looked into the administrative fine process but after discussions with the Police Department who felt the process would be burdensome and ineffective and noted an option would be a first time warning and upon a second violation would proceed with a misdemeanor.

Councilmember Duncan stated underage drinking was a real problem and the City should do all it can but noted the California Business and Professional Code already had a law in place and felt he could not support the adoption of the ordinance because he stated the issue was education and needed to let people know it is socially unacceptable. Mr. Duncan felt it was inappropriate for the City to get involved when it came to different circumstances at family gatherings and also noted he could not find any information that other cities who had this type of ordinance having lower levels of alcohol problems with minors.

**(7-0)** Councilmember Dages noted the ordinance excluded certain family and religious gatherings and Mr. Sanchez stated the California Business and Professional Code did not deal with the private nature of the matters of the proposed ordinance and felt there was a gap and the proposed ordinance would fill that gap.

Police Captain Garner stated the Police Department had the discretion to handle the matter in a less punitive manner and absent of the person’s cooperation the Police Department could end the problem right there with the ordinance in effect and not have to return to the same property a second and third time.

Councilmember Westerlund questioned whether the misdemeanor had to occur in the presence of the police officer or a third party citizen and noted the elements would be someone other than a parent providing alcohol to a minor and felt the ordinance filled a gap that needed to be filled.

Police Captain Garner responded to questions pertaining to how the Police Department would handle the situation. President Perea expressed his support and stated this was another tool to address the issue and noted it was important to provide an outreach education program as it gets closer to graduation time.

On motion of Councilmember Dages, seconded by Councilmember Sterling , duly carried, RESOLVED, and the above entitled Bill No. B-19 introduced before the City Council and laid over, by the following vote:

Ayes : Calhoun, Dages, Sterling, Westerlund, Xiong, Perea  
Noes : Duncan  
Absent : None

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The City Council recessed at 3:28 p.m. and convened in joint session with the Redevelopment Agency.

**(3:15 P.M.) JOINT MEETING WITH THE REDEVELOPMENT AGENCY**

**APPROVE AGENCY MINUTES OF FEBRUARY 6, 2007**

On motion of Councilmember Westerlund, seconded by Councilmember Perea, duly carried, RESOLVED, the Agency minutes of February 6, 2007, approved as submitted.

**(“A”) RECONSTRUCTION OF ORANGE AVENUE BETWEEN NORTH AVENUE AD FREEWAY 99 WITHIN THE SOUTH FRESNO INDUSTRIAL REVITALIZATION REDEVELOPMENT AREA**

- 1. JOINT RESOLUTION NO. 2007-76/1692 - MAKING CERTAIN FINDINGS PURSUANT TO THE COMMUNITY REDEVELOPMENT LAW, AND AUTHORIZING THE AGENCY’S INSTALLATION OF PUBLIC IMPROVEMENTS IN ORANGE AVENUE BETWEEN NORTH AVENUE AND FREEWAY 99**
- 2. AWARD A CONTRACT TO DAVE CHRISTIAN CONSTRUCTION IN THE AMOUNT OF \$584,257.20 FOR THE PROJECT**

Redevelopment Executive Director Murphey briefly reviewed the staff report and stated Orange Avenue was being proposed to upgraded from a 2-lane country road to a 4-lane collector street and recommended approval.

Speaking to the issue was: Barbara Hunt, 2475 S. Walnut.

On motion of Councilmember Westerlund, seconded by Councilmember Sterling, duly carried, RESOLVED, the above entitled Resolution Nos. 2007-76/1692 hereby adopted and award a contract for \$584,260.20 to Dave Christian Construction for Orange Avenue reconstruction between North Avenue and Freeway 99, by the following vote:

Ayes : Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea  
Noes : None  
Absent : None

(“B”) CONSIDER APPROVAL OF A DEVELOPMENT AND DISPOSITION AGREEMENT (DDA) BETWEEN THE REDEVELOPMENT AGENCY AND FULTON PLAZA, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, TO SELL FOUR AGENCY PROPERTIES FOR DEVELOPMENT OF A MIXED USE COMMERCIAL/RESIDENTIAL PROJECT - “FULTON PARK PLAZA”

1. JOINT RESOLUTION NO. 2007-77 /1693 - APPROVING THE DDA, AUTHORIZING EXECUTION OF RELATED DOCUMENTS, AND MAKING CERTAIN FINDINGS

Redevelopment Agency Consultant Bleth reviewed the staff report and financing and recommended approved. Jeff Roberts , Granville Homes, thanked staff for helping with the project and explained the various applications involved. Reza Assemi, representing Pyramid Homes, displayed a few enlarged drawings and explained the layout of the project.

Mr. Bleth noted there was a corrected staff report presented to reflect a correction in the financing where the parcels were sold to the developer at the fair market value of \$336,000 not \$388,000.

Speaking to the issue was Barbara Hunt, 2475 S. Walnut. At the hour of 3:48 p.m. Councilmember Dages left the meeting briefly and returned at 3:57 p.m.

Councilmember Westerlund thanked the Housing Authority, the Redevelopment Agency and City staff and questioned the possibility of a water feature being included in the project and recommended exploring the possibility of becoming a member of the California Municipal Financing Authority which would allow private entities to do affordable housing and the financing would be tax exempt for this project or future projects.

On motion of Councilmember Westerlund, seconded by Councilmember Sterling, duly carried, RESOLVED, approve Disposition and Development between the Fresno Redevelopment Agency of the City of Fresno and Fulton Plaza, LLC. Including the sale of four (4) parcels of RDA owned land to the developer to construct a mixed use residential and commercial project consistent with California Redevelopment law; the Executive Director hereby authorized to execute the necessary documents and the above entitled Resolution Nos. 2007-77/1693 hereby adopted, by the following vote:

Ayes : Calhoun, Duncan, Sterling, Westerlund, Xiong, Perea  
Noes : None  
Absent : Dages

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(“C”) PURCHASE OF THE BEL-AIR MOTEL AT 740 W. OLIVE - APN 450-154-09 - OWNED BY BABU PATEL

1. JOINT RESOLUTION NO. 2007-78 /1694 - MAKING CERTAIN FINDINGS PURSUANT TO COMMUNITY REDEVELOPMENT LAW, AND CONDITIONALLY APPROVING A PURCHASE AND SALES AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY AND BABU PATEL, AND OTHER OWNERS, THE SUBSEQUENT TRANSFER OF TITLE OF THE PROPERTY TO THE CITY OF FRESNO (COUNCIL/AGENCY), AND CONDITIONALLY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT FOR THE PURCHASE OF THE BEL-AIR MOTEL, CONDITIONED UPON THE SATISFACTORY NEGOTIATION AND EXECUTION OF AN ADDENDUM TO THE PURCHASE AND SALE AGREEMENT

Redevelopment Executive Director Murphey briefly reviewed the staff report and noted the property was purchased for \$730,000 and also stated most of the occupants at the motel were on a nightly occupancy which would result in a very little relocation cost.

(8-0) Speaking to the issue was Barbara Hunt, 2475 S. Walnut.

A motion to approve the above item was made and acted upon after brief discussion.

Councilmember Sterling stated the area was surrounded by the old Wesson home and noted the neighbors in the area were very pleased that the project would bring new growth and greater opportunity for the City.

On motion of Councilmember Westerlund, seconded by Councilmember Sterling, duly carried, RESOLVED, the above entitled Resolution Nos. 2007-77/1693 hereby adopted; the purchase and sale agreement between the Redevelopment Agency of the City of Fresno and Babu Patel, and other owners; and subsequently transfer title of the property to the City of Fresno (Council/Agency) hereby approved; the Executive Director hereby authorized to execute the Purchase and Sales Agreement for the purchase of the Bel-Air Motel at 740 W. Olive Avenue know as Assessor Parcel Number 450-154-09; owned by Babu Patel, et al, within the Freeway 99 - Golden State Boulevard corridor

Redevelopment Project Area and the foregoing conditioned upon and subject to the satisfactory negotiation and execution of an addendum to the purchase and sale agreement that addresses certain legal and title matters, and that is approved as to form by the City Attorney's office , by the following vote:

Ayes : Calhoun, Dages, Duncan, Sterling, Westerlund, Xiong, Perea  
Noes : None  
Absent : None

The joint bodies adjourned their meeting at 4:06 p.m. and the City Council reconvened in regular session.

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**(2-C) DISCUSSION AND DIRECTION REGARDING CITY PUBLIC RELATIONS - COUNCILMEMBER CALHOUN**

- 1. COUNCIL AND STAFF DISCUSSION REGARDING THE PUBLIC INFORMATION RESOURCES MEMO ISSUED ON JANUARY 17, 2007**
- 2. DIRECT STAFF TO RETURN IN 60 DAYS WITH A STATUS REPORT ON COUNCIL'S SEPTEMBER 26, 2006, ACTION REGARDING THE CONTRACT APPROVAL TO ASTONE FOR PUBLICIST SERVICES**

Continued to March 6, 2007.

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**RECESS - 4:09 P.M. - 5:00 P.M.**

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**(5:00 P.M.) PUBLIC HEARINGS TO CONSIDER INCREASING UTILITY SERVICE RATES PURSUANT TO PROPOSITION 218**

**A. PROTEST HEARING REGARDING INCREASING SERVICE RATES FOR WATER, WASTEWATER/SEWER, AND SOLID WASTE**

**B. RATIFYING THE PROPOSITION 218 PROCESS ACCORDING TO THE CALIFORNIA CONSTITUTION ARTICLE XIID AND ADOPTING A FIVE YEAR UTILITY RATE PLAN**

- 1. RESOLUTION - ALTERNATIVE A (*Staff recommendation*)**
- 2. RESOLUTION NO. 2007-79- ALTERNATIVE B (*Utility Commission recommendation*)**

**C. CONSIDER ADOPTION OF AMENDMENTS TO THE MASTER FEE SCHEDULE (MFS) RES. NO. 80-420**

- 1. RESOLUTION NO. 2007-80 - 451<sup>ST</sup> AMENDMENT TO THE MFS ADJUSTING VARIOUS FEES IN THE WATER FEE SECTION UNDER THE DEPARTMENT OF PUBLIC UTILITIES**
- 2. RESOLUTION NO. 2007-81 - 452<sup>ND</sup> AMENDMENT TO THE MFS ADJUSTING VARIOUS FEES IN THE WASTEWATER/SEWER FEE SECTION UNDER THE DEPARTMENT OF PUBLIC UTILITIES**
- 3. RESOLUTION NO. 2007-82 - 455<sup>TH</sup> AMENDMENT TO MFS ADJUSTING VARIOUS FEES IN THE SOLID WASTE FEE SECTION UNDER THE DEPARTMENT OF PUBLIC UTILITIES**

President Perea announced the time had arrived to consider the issue and opened the hearing.

Department of Public Utilities Director Ramirez reviewed the staff report and informed Council there were four steps to consider which included holding the Proposition 218 protest hearing, tally the protest votes to verify whether there were sufficient votes to prevent the Council from taking further action on increasing utility rates and, after tallying the votes, Council needed to adopt a resolution which would provide a five year utility plan and then adopt the Master Fee Schedule resolutions. Mr. Ramirez also noted City Clerk Klisch would need to read the total number of protest votes into the record.

Speaking in opposition were: Cora Snyder, 1705 W. Fedora Avenue; Barbara Hunt, 2475 S. Walnut; Spencer Johnson, 1477 E. Browning; Leonard E. Goldberg, 4418 N. Van Dyke; Robert Ware, 4430 N. Palm Avenue; Susan Wright, 912 N. Fresno Street; Violet Blajos; Albert Gomez, 3328 E. Alia Avenue.

Speaking in support was: Steven Spencer, 740 W. Fairmont

Continuing to speak in opposition were: Hector Garcia, 6785 N. Backer Avenue; Harlan Kelly, 3378 W. Kearney Blvd.; Samuel Smith, 1490 N. First Street; Mary Curry, 312 W. Valencia; Gerry Christensen, 4685 E. Tyler; Harry Davies, 10 E. Weldon Avenue; Joseph M.



McClosky, 158 N. Echo Street; Fermina Harvey, 2714 Arthur; Wayne Barclay, 227 S. Yeargin Avenue; Mary Ann Ray, 2721N. Arthur; Loran Harding, 3411 W. Browning ; **(9-0)** Kelly Cadwallader, 128 W. Roberts; David L. Hutton, 2217 E. Brandywine Lane; William S. Smittcamp, 100 W. Alluvial, Clovis; Jameece McCaren, 24 e. Dakota; Cal Johnson, 2944 E. Donahue; Diane Corbin, 4843 N. Thesta; Matilda Juri, 1161 E. Fedora; Wayne Donahue, 4728 E. Harvey; Paula York, 3526 N. Glenn Avenue; Deanna Jackson, 3077 E. Home Avenue; Javier G. Hernandez, 5415 E. Grove Avenue; Anne Goodman, 1296 N. Poplar; Bob Smittcamp, 3158 E. Hamilton; Costel Fuiorea, 543 E. Shields.

Upon call, no one else wished to be heard and President Perea closed the hearing and called a brief recess to count the number of protests received in the City Clerk's Office.

**RECESS 6:34 P.M. - 6:45 P.M.** - (Protests were tallied in the City Clerk's Office)

Mr. Ramirez reviewed the official protest process and stated for the protest to be valid it had to be a written protest given to the City Clerk's Office. City Clerk Klisch read into the record the number of protest received in the City Clerk's Office.

**Water:** protests received - 259; number needed for a successful protest - 61,152; under amount: 60,893

**Wastewater/sewer:** protests received - 253; number needed for a successful protest - 59,967; under amount: 59,714

**Solid Waste:** protests received - 246; number needed for a successful protest - 55,466; under amount: 55,220

**Letter Protesting All rates:** 92

**(10-0)** Mr. Ramirez announced that due to the total protests received, Council could continue with the hearing. Mr. Ramirez reviewed the differences in the two options for the five-year utility plan and reviewed the rate increases. Mr. Ramirez explained the Alternative A Resolution would contemplate the City voters forming a special municipal water district that would provide the services now being provided by the Department of Public Utilities and in turn the new district would have to retire the existing debt that the Department of Public Utilities had and in doing so the debt would have be refinanced, which would be repaid be over a longer period of time and at the same time lower the revenue requirements which could lead to a reduction in utility fees. He noted that even with the current rates proposed the citizens would still be paying less than cities of comparable size such as Clovis, Merced, Modesto, and Bakersfield. He also noted the entire rate process was exempt from the CEQA process. Mr. Ramirez stated the increase was a tough decision but in the long term would address public health and safety issues. He also invited interested people to take a tour of the Department of Public Utilities.

President Perea stated for the record the City Clerk's Office received a written protest from the Valley Taxpayers Association.

Councilmember Sterling thanked Mary Curry who was her appointment to the Utility Commission and everyone involved and stated she could not support the issue at this time due to there being no lifeline. She noted this increase did not happen overnight and had been coming for many years and if there had been incremental increases in the past, the City would not be under the stress it was today.

A motion to direct staff to return with the creation of a lifeline in the utility rate increase was made and acted upon after extensive discussion.

Assistant City Manager Ruiz stated staff had spend time on a holistic lifeline approach which could possibly provide assistance with utility rates but could possibly reduce other costs to an individual by providing assistance with home weatherization programs, food distribution through Parks Department and possibly creating community gardens for more food support and were prepared to bring a report to Council on March 20<sup>th</sup>. Mr. Ramirez stated there was already a discount to senior citizen. Ms. Sterling stated the Mayor's budget veto message of July 7, 2006, had challenged the staff from Public Works, PR&CS and Public Utilities to return with a solution to the problem of keeping with the value and principles of the "New Normal" in which information was needed on how to maintain the medians and to reduce the 15-year tree trimming cycles down to 7 or 8 years. Ms Sterling stated mature trees cannot wait 15 years and District 3's capital budget could not continue supplementing the effort by doing one or two major projects a year and recommended adoption of the Alternative A Resolution if all the issues were addressed by March 20<sup>th</sup>. City Manager Souza recommended Alternative A Resolution be brought back to Council with the lifeline information on March 20<sup>th</sup> and stated during last year's budget process the tree trimming was reduced from 20-years to 15 years and staff was looking into reducing it even more during the 2007-2008 budget.

Councilmember Westerlund stated past Councils did not address the issue and the problem did not happen overnight and stated that was the reason the percentage of the increase was so high and mentioned other Cities were still paying more than the City of Fresno and that the City could only charge what it costs to provide the service plus a little more for capital projects. Mr. Westerlund stated the City had put off capital projects in providing wells, water distribution and sewer upgrades to meet the regulations that continue to increase in cost and stated the Utility Commission discovered the City was close to going into technical default on the bonds the City has to put into infrastructure that was already in the ground and elaborated. Mr. Westerlund stated the people in the City have received a fair deal for the last ten years because there had been no significant increase. He also noted this was the time to play catch-up on needed services and stated there were two option

before Council which was to approve the Mayor's proposal or a special utility district that could be voted upon by the citizens of Fresno. He stated the Utility Commission came up with a tough resolution but was still the bare amount that was required to keep providing the services and maintenance of bonds. Mr. Westerlund questioned the senior citizen discount and distribution of State property taxes with Mr. Ramirez and Mr. Sanchez responding.

Councilmember Calhoun stated the importance of the money charged for utility services was used for the sole purpose of that service and was just as important as funding the Police and Fire Department by the General Fund for public safety. **(11-0)** He reviewed the history of how the increase came about and the recommendation to adopt the Alternative B Resolution by the Utility Commission was a difficult decision but needed to be made and stated he would not support the motion to include a lifeline and noted the lifeline should have been brought up during the Utility Commission meetings.

Councilmember Duncan questioned the delay time if the proposed motion was approved with Mr. Ramirez responding. Mr. Duncan expressed the importance of moving forward so as not to create more debt, discussed the timeline to do a nexus study to initiate a lifeline, and also noted a holistic approach to the lifeline study should have been discussed earlier in the process. Mr. Duncan stated he was not satisfied with adoption of the Alternative A Resolution and felt it was very risky with brief discussion ensuing regarding the resolution was setting forth a 5-year plan where staff would return each year with a Master Fee Schedule update. Mr. Duncan stated he supported adoption of the Alternative B Resolution but requested the removal of the \$2.43 charge for median island maintenance and tree trimming services and would make a motion if the motion on the floor failed adoption. Councilmember Westerlund stated Clause No. 6 should be removed from Alternative A Resolution and added to Alternative B Resolution which would remove the \$2.43 fee.

City Manager Souza stated the Mayor wanted to only charge a utility rate increase that was absolutely necessary and reviewed the options of adding a lifeline versus a holistic approach and the difficulty of providing a nexus study between the income level and the level of services being used and staff could return with a report on the holistic approach next week.

Acting President Xiong questioned whether a special utility district would be delayed if the rates were not increased with Mr. Ramirez responding.

Councilmember Dages questioned what efforts the Department of Public Utilities were doing to save money on fuel, power and labor with Mr. Ramirez reviewing the various ways staff was reducing energy demands at the Wastewater Treatment Plant, use of the water system using the most efficient pump to reduce costs to operate the water system and maintaining City vehicles for their maximum use and stated staff was always looking at other opportunities to reduce costs. Councilmember Dages stated the discussions have basically been on the residential side and expressed concern with the commercial side, noting businesses would receive an 18% increase and in turn the increase would be passed along to the consumer. He stated he could not support the proposed motion nor Alternative A Resolution and stated the increase was too much and within too short of time frame on the consumer who would be receiving the increase twice but indicated his support for the first year increase of \$8.26 per month and thereafter would only support the consumer price index over the following four years which would need to be brought back to Council every year for an adjustment whether it was an increase or decrease in rates.

Councilmember Sterling stated she had appreciated the different options Council had provided for senior citizens, but there were still people who are disabled or receive a lower income which put them into a different category and noted if more people understood the flyer mailed out more people would have protested and expressed the importance of having more time to put together a lifeline process and requested the item be placed on the March 20<sup>th</sup> agenda. President Perea stated the lifeline was a recommendation by the Mayor's proposal as well as the Utility Rate Commission, but stated no proposal came before Council and stated it should be part of the discussion to assist people who cannot afford the rate increase.

Mr. Souza stated the reason a lifeline was not included was because staff did not believe there could be a lifeline that could be related to the services the City provided and expressed the importance of looking at the issue in a holistic approach.

On motion of Councilmember Sterling, seconded by President Perea, duly carried, **RESOLVED**, staff directed to return to Council on March 20, 2007, with a lifeline regarding utilities rate increase which would assist low income, disabled and senior citizens and based on a one-year rebate for those residential customers who had resided and received service at the same address for the past twelve months failed approval, by the following vote:

Ayes	:	Sterling,, Perea
Noes	:	Calhoun, Dages, Duncan, Westerlund, Xiong
Absent	:	None

Councilmember Duncan questioned the flexibility of future rate increases with Mr. Ramirez responding.

A motion to adopt Alternative B Resolution, as amended was made and acted upon after brief discussion.

City Manager Souza reiterated the concerns with the adoption of Alternative B Resolution and stated there would be an annual review in the budget process of the rates the only the optimal way to provide service to the City was with a municipal utility district and recommended adoption of the Alternative A Resolution.

Councilmember Calhoun stated the rate structure in Alternative B Resolution was more realistic and offered a good 5-year plan that also requires an annual review process and stated the City would still be paying less than neighboring cities. Mr. Sanchez stated if Alternative B Resolution was adopted it was a five year plan and Council could either decrease or increase rates if there were an increase it would have to be done through a Proposition 218 process.

**(12-0)** Councilmember Dages recommended keeping the Utility Rate Commission together to assist Council in future discussions and actions.

Councilmember Westerlund noted one of the recommendations of the Utility Rate Commission was that there should be a Citizens Advisory Committee that would review the numbers and return with recommendations as to the rates.

On motion of Councilmember Westerlund, seconded by Councilmember Duncan, duly carried, RESOLVED, the above entitled Alternate B Resolution -(Utility Commission recommendation) hereby adopted as Resolution Nos. 2007-79 as amended to include the addition of “effective September 1, 2007, staff would amend the solid waste 5-year residential customers rate plan by removing approximately \$2.43 per month increase contained in the solid waste fee for increased services for tree trimming and Operation Clean-up”; and direct staff to return with a holistic lifeline plan for utility rate increases hereby approved; and the City would establish an annual Citizens Utility Commission under the same guidelines as the prior Utility Rates Commission woh would return with recommendations as to where utility rates should be set under the ceiling set forth in Alternative B Resolution , by the following vote:

Ayes : Calhoun, Dages, Duncan, Westerlund, Xiong  
Noes: : Sterling,, Perea  
Absent : None

Councilmember Duncan stated the Mayor needed to be briefed as to the results of tonight’s meeting and was willing to work with Council so the process would not be delayed with Mr. Souza stating the Mayor would be well informed of Council’s action.

On motion of Councilmember Calhoun, seconded by Councilmember Duncan duly carried, RESOLVED, the above entitled Resolution Nos. 2007-80, 2007-81 and 2007-82, hereby adopted, by the following vote:

Ayes : Calhoun, Dages, Duncan, Westerlund, Xiong  
Noes: : Sterling,, Perea  
Absent : None

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## ADJOURNMENT

There being no further business to bring before the City Council, the hour of 8:40 p.m. having arrived and hearing no objections, President Perea declared the meeting adjourned.

*Approved* on the \_\_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
Henry T. Perea, Council President

\_\_\_\_\_  
ATTEST: Cindy Bruer, Deputy City Clerk

